

Message Text

CONFIDENTIAL

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43

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 251400Z OCT 74

FM AMEMBASSY BERN

TO SECSTATE WASHDC IMMEDIATE 9752

INFO AMEMBASSY KINSHASA IMMEDIATE

C O N F I D E N T I A L BERN 4016

EXDIS

E.O. 11652: GDS

TAGS: EFIN, CG

SUBJECT: BANK FOR INTERNATIONAL SETTLEMENTS/ZAIRE

REF: A) STATE 234981 (NOTAL); B) STATE 234980; C) BERN 3999;
D) KINSHASA 8970; E) KINSHASA 8973

1. PER REF A AND C, ECONOMIC/COMMERCIAL COUNSELOR VISITED BIS/BASEL MORNING OCT. 25 TO CONVEY REFTEL D MESSAGE TO GILBERT AND SUBSEQUENTLY AT HIS REQUEST TO RENE LARRE, BIS GENERAL MANAGER, AND R.T.P. HALL, HEAD OF BIS BANKING DEPT.
2. BIS OFFICIALS APPRECIATED RECEIVING INFO ABOUT WHICH THEY HAD BEEN ALERTED THRU TELCON WITH FEDERAL RESERVE/WASHINGTON EVENING OCT. 24.
3. BIS CONCLUDED DURING WEEK OCT. 14 \$20 MILLION ONE-MONTH GOLD SWAP WITH BANK OF ZAIRE. TRANSACTION, WHICH WAS DESCRIBED AS NORMAL AND ROUTINE MATTER BETWEEN BIS AND CENTRAL BANK, INVOLVES DEBITING BIS ACCOUNT AND CREDITING BANK OF ZAIRE ACCOUNT, BOTH AT NEW YORK FEDERAL RESERVE, IN EXCHANGE FOR GOLD.
4. BIS OFFICIALS FIRMLY DENIED THAT THERE HAD BEEN ANY PERSONAL CONTACT WITH SAMBWA AS SUGGESTED REF E NOR WERE THEY AWARE OF HIS REPORTED PRESENCE IN SWITZERLAND. THEY ACKNOWLEDGED THAT BANK OF ZAIRE OFFICIAL (WHO THEY DID NOT

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IDENTIFY TO EMBOFF BUT CLEARLY IT WAS NOT SAMBWA) HAD

CHECKED WITH BIS WHILE IN SWITZERLAND RECENTLY ON WHETHER BIS WOULD ENTERTAIN GOLD SWAP PROPOSAL. (SIMILAR TRANSACTION ARRANGED SOME TIME IN PAST.) ALL OTHER ARRANGEMENTS FOR PRESENT SWAP MADE THROUGH NORMAL ESTABLISHED BIS/BANK OF ZAIRE TELEX COMMUNICATIONS CHANNEL WITH APPROPRIATE CHECKS TO ASSURE AUTHENTICITY, ETC.

5. BIS OFFICIALS SAID THAT ON BASIS REFTEL D INFO THEY WILL BE MORE THAN UNUSUALLY CAREFUL ON DATE SWAP UNWOUND TO ASSURE THAT BIS ACCOUNT AT FEDERAL RESERVE NEW YORK CREDITED WITH \$20 MILLION BEFORE GOLD RELEASED TO BANK OF ZAIRE OR ANYONE CLAIMING TO REPRESENT IT. HOWEVER, THEY FELT THAT HERE WAS NO WAY BIS ALONE COULD ABROGATE SWAP TRANSACTION. THEY ASSUMED FEDERAL RESERVE, NEW YORK WILL ALSO NOW BE VERY CAUTIOUS IN PERMITTING ACCESS BY SAMBWA OR HIS DESIGNEE TO BANK OF ZAIRE ACCOUNT.
DAVIS

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